Recession swells count of displaced workers

Like all recessionary periods, the weak economy of the early 1990's increased the number of displaced workers; while a disproportionately large share were in goods-producing industries, displacements were much more widespread across industries than was the case a decade earlier

Jennifer M. Gardner

During the mid- to late 1980's, the United States experienced 7 years of uninterrupted economic growth, during which roughly 20 million persons were added to the employment rolls. Even during this booming period, however, many workers were losing jobs, as businesses failed or were forced to cut the size of their work forces. But it is obviously during recessions, such as the one that started in mid-1990, that the problem of job loss becomes most acute.

Between January 1987 and January 1992, a period including the 1990–91 recession, the number of workers who lost jobs due to plant closings, company failures, or other curtailments in employment totaled 5.6 million, according to the Current Population Survey (CPS)[1]. This compares with 4.3 million during the 5 years ending in January 1990, a period of sustained employment growth.[2] When the most recent data were collected in January 1992, it was found that nearly two-thirds of the workers who had lost their jobs during the preceding 5 years were once again working.

Interest in workers who lose their jobs when plants close or businesses severely cut back their operations heightened in the early 1980's, when two back-to-back recessions (in 1980 and 1981–82) displaced many workers from long-held jobs. In January 1984, the U.S. Department of Labor's Employment and Training Administration sponsored a supplement to the CPS to measure the extent of this problem and to see how the workers affected by displacements had adjusted.[3] This special supplement has been conducted biennially ever since, and is always retrospective over the preceding 5 years. The most recent data were collected in January 1992, covering the 5-year period beginning January 1987. While data were collected on all job displacements, regardless of the worker's length of service in the affected job, the data used for this analysis are restricted to workers with at least 3 years of tenure with their previous employer. Displaced workers are those who lost or left jobs due to plant or company closings or moves, slack work, or the abolishment of their positions or shifts. It should also be mentioned that only workers aged 20 and older were questioned about possible job losses.

Jennifer M. Gardner is an economist in the Division of Labor Force Statistics, Bureau of Labor Statistics.

Reasons for job loss

The most common reason for worker displacement was plant or company closings or moves. (See table 1.) In the January 1984 and 1986 surveys, these shutdowns accounted for about half of displacements; the share was slightly higher in the subsequent three surveys. Nevertheless, the type of displacement that grows at the fastest rate during the survey periods that include recessions is that attributable to slack work (that is, insufficient

demand for a product or service). The proportion of displaced workers who attributed their job loss to the fact that their position or shift was abolished increased slightly during the 1980's and early 1990's, but still accounted for less than one-fifth of all job losses in January 1992.

Demographic characteristics

Eight of every ten workers identified in the January 1992 survey as having been displaced over the preceding 5 years were aged 25 to 54. The same proportion of displaced workers were found in this age group in the 1990 survey, but their share had been trending upward since the early 1980's, reflecting the steadily rising share of baby-boomers in this age group. (By 1990, that entire generation fell within the 25-to-54 age group.) Although the rate of displacement[4] for workers in this group had been declining during the 1980's, it was found to have increased, from 6.7 to 8.1 percent, between the January 1990 and January 1992 surveys. The overall displacement rate followed the same trend, increasing to 7.9 percent for the most recent survey from 6.4 percent in the prior survey. (See tables 2 and 3.)

Both younger and older workers—that is, those aged 20 to 24 and those 55 and older—also were more likely to have been displaced during the 5 years preceding the January 1992 survey than in the period covered by the January 1990 survey. The displacement rate for the youngest workers increased from 3.7 to 5.9 percent, but remained well below the 7.9-percent figure posted in the January 1984 survey. Among workers aged 55 and older, 7.9 percent were found to have permanently lost jobs in the January 1992 survey, up from 6.5 percent in the 1990 study.

Among the race and ethnic groups, Hispanic workers had the highest likelihood of displacement; 11.8 percent had lost jobs prior to the January 1992 survey for the reasons cited above. This was the highest rate of displacement ever registered by this group since the surveys were begun in 1984. For whites and blacks, in contrast, the respective displacement rates of 7.9 and 8.8 percent found in the January 1992 survey, while higher than those recorded for the 1990 survey period, were not as high as those posted in the January 1979–84 survey timespan.

Reflecting their predominance in such high-displacement industries as construction and durable goods manufacturing, men were 1–1/2 times more likely than women to have been displaced sometime during the most recent survey period. Over the past decade, women nevertheless have accounted for a growing proportion of the displaced, reflecting both their expanding share of the work force, as well as the fact that an increas-

Table 1. **Displaced workers by reason for job loss, age, and sex, January 1992**

Age and sex	Total displaced (thousands)	Percent distribution by reason for job loss		
		Plant or company closed down or moved	Slack work	Position or shift abolishment
Total, 20 years and older	5,584	52.1	31.6	16.3
20 to 24 years	203	44.8	48.3	7.4
25 to 54 years	4,416	51.4	31.2	17.4
25 to 34 years	1,447	50.2	37.7	12.1
35 to 44 years	1,742	52.8	27.7	19.5
45 to 54 years	1,227	50.7	28.6	20.7
55 years and older	964	57.4	29.6	13.3
55 to 64 years	750	56.5	29.3	14.3
65 years and older	214	60.3	30.4	9.8
Men, 20 years and older	3,447	49.4	34.7	15.9
Women, 20 years and older	2,137	56.6	26.4	17.0

NOTE: Data refer to persons with tenure of 3 years or more who lost or left a job between January 1987 and January 1992 because of plant or company closings or moves, slack work, or the abolishment of their positions or shifts.

Table 2. **Displaced workers by age, sex, race, Hispanic origin, and employment status in January 1992**

Age, sex, race, and Hispanic origin	Total displaced (thousands)	Percent distribution by employment status		
		Employed	Unemployed	Not in the labor force
TOTAL				
Total, 20 years and older	5,584	64.9	22.2	12.9
20 to 24 years	203	62.0	23.1	14.9
25 to 54 years	4,416	69.4	22.7	7.9
25 to 34 years	1,447	70.0	22.5	7.5
35 to 44 years	1,742	72.1	22.2	5.7
45 to 54 years	1,227	64.8	23.8	11.4
55 years and older	964	45.2	19.5	35.3
55 to 64 years	750	52.0	21.7	26.3
65 years and older	214	21.3	11.9	66.8
Men, 20 years and older	3,447	66.6	24.5	8.9
Women, 20 years and older	2,137	62.2	18.6	19.2
White				
Total, 20 years and older	4,828	65.7	21.2	13.0
Men	3,003	67.6	23.3	9.1
Women	1,825	62.7	17.8	19.2
Black				
Total, 20 years and older	626	58.7	28.6	12.7
Men	356	58.9	33.4	7.7
Women	270	58.5	22.2	19.3
Hispanic origin				
Total, 20 years and older	511	60.4	27.4	12.3
Men	323	64.6	27.2	8.2
Women	188	53.0	27.7	19.3

NOTE: Data refer to persons with tenure of 3 years or more who lost or left a job between January 1987 and January 1992 because of plant or company closings or moves, slack work, or the abolishment of their positions or shifts.

Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented, and Hispanics are included in both the white and black population groups.

Table 3. **Displacement rates[1] by age, sex, race, and Hispanic origin, 1979–83, 1985–89, and 1987–91**

[In percent]

Age, sex, race, and Hispanic origin	1979–83	1985–89	1987–91
Total, 20 years and older	8.5	6.4	7.9
20 to 24 years	7.9	3.7	5.9
25 to 54 years	8.8	6.7	8.1
25 to 34 years	10.8	6.6	7.8
35 to 44 years	8.5	7.0	8.4
45 to 54 years	6.9	6.3	8.2
55 years and older	7.6	6.5	7.9
55 to 64 years	7.6	6.5	7.9
65 years and older	7.7	6.4	7.9
Men, 20 years and older	9.2	6.7	8.5
Women, 20 years and older	7.4	6.1	7.2
White			
Total, 20 years and older	8.3	6.4	7.9
Men	8.9	6.6	8.4
Women	7.3	6.2	7.2
Black			
Total, 20 years and older	10.5	6.7	8.8
Men	12.1	7.2	10.0
Women	8.8	6.1	7.6
Hispanic origin[2]			
Total, 20 years and older	9.4	8.7	11.8
Men	9.7	9.1	12.3
Women	8.6	8.1	11.2

[1] See text footnote 4 for an explanation of the displacement rate calculation.
[2] Displacement rates for Hispanic-origin workers for 1979–83 are based on data for 1980–83; data for 1979 are not available.

NOTE: The displacement rates for the 1979–83 and 1985–89 survey periods may differ slightly from previously published estimates due to updated job tenure data.

ing share of job loss has been occurring in the service-producing sector, in which the great majority of women work.

Concentration of displacement

Like the earlier studies, the January 1992 survey found the likelihood of displacement to be highest for workers in goods-producing jobs. Also, there were large *increases* from the prior survey period in the rate of displacement among the three goods-producing industries—mining, construction, and manufacturing. (See tables 4 and 5.)

The displacement rate was very high for workers in mining—nearly one-third lost their jobs between January 1987 and January 1992. In fact, mining workers have had a higher likelihood of displacement than any other industry/worker group in each of the five surveys conducted since January 1984. Construction workers were much more likely to lose jobs between January 1987 and January 1992 than during the period covered by the prior survey. Their displacement rate increased from 10.9 percent to 15.6 percent over the two survey periods, but still did not reach the level reported in the January 1984 survey covering the recessions of the early 1980's (19.2 percent).

While more than 1 in 8 manufacturing workers were displaced during the 5 years prior to the January 1992 survey, this displacement rate is lower than those measured in the first two surveys, conducted in January of 1984 and 1986. (Undoubtedly, some of the workers who lost their jobs in the most recent survey period were displaced due to cutbacks in defense-related industries.[5]) The decline in the risk of losing factory jobs in the January 1992 survey period—resulting primarily from overall restructuring and downsizing in manufacturing since 1989, as well as the increase in the incidence of displacement in other industries—has led to a reduction in the proportion of displaced workers who had lost manufacturing jobs. In the January 1984 survey nearly one-half of the displacements were reported by workers who had lost such jobs. According to the January 1992 survey, this proportion had declined to only one-third. However, this estimate still represented nearly 2 million workers.

The displacements found in the January 1992 survey were more widely distributed across industries than those found in the first survey conducted in January 1984. During the period covered by that first survey, 65 percent of all workers displaced from private nonagricultural wage and salary jobs had lost positions in goods-producing industries. Nearly a decade later, the January 1992 survey showed the proportion having lost goods-producing jobs to be only half of the total, as the service sector was more affected than in the past.

Among the service-producing industries, wholesale and retail trade had the highest rate of displacement, with nearly 1 out of every 10 workers losing jobs during the January 1992 survey period. The likelihood of job loss was slightly lower for those who worked in the finance, insurance, and real estate industry. However, major developments affecting this industry, including the failure of many savings and loan institutions and the stock market crash of October 1987, put these workers at a far greater risk of job loss in the late 1980's and early 1990's than in earlier years.

Workers in the services industry were the least likely to have lost jobs. Their displacement rate of 5.8 percent in the January 1992 survey was much higher than that found in the prior survey (4.4 percent), and was close to the rate measured for the January 1984 survey period. The displacement rate for the transportation and public utilities industry, 7.5 percent, had edged up from the January 1990 survey estimate. How-

ever, it still was lower than its high point posted in the 1986 survey covering the January 1981–86 period, during which 1 in 10 workers had lost jobs.

In terms of occupations, the greatest *increase* in the risk of displacement between the January 1990 and January 1992 surveys was among executives and managers, technicians, mechanics, and construction trades workers. Still, blue-collar occupations had the highest *proportion* displaced.[6] The gap between rates of white-collar and blue-collar displacement has narrowed over the past decade, however, reflecting the more widespread nature of job loss; displacement rates for the major white-collar occupations were higher in the January 1992 survey than in the January 1984 study, while those for blue-collar workers were lower. The growing share of displacements borne by white-collar workers also reflects their steadily rising proportion of total employment.

The reemployed

Nearly two-thirds of the workers displaced in the 5 years prior to January 1992 were working at the time they were surveyed. Displaced workers 35 to 44 years old reported the highest proportion reemployed among the various age groups; black and Hispanic workers were less likely to be working at a new job than were whites. The overall reemployment rate—the proportion of displaced workers who had found a new job when surveyed—had been trending upward during the periods covered by the first four surveys, reaching a high of 72.3 percent in the January 1990 study. Many of those who were working when surveyed in January 1992 had found jobs in the same industry from which they had been displaced. However, about half of the reemployed had taken lower-paying jobs.

Full-time wage and salary workers. The vast majority (91 percent) of the workers displaced during the January 1992 survey period had been working at full-time jobs, earning a wage or salary. As shown in chart 1, just over half of these workers reported being reemployed in new full-time wage and salary jobs; another third were either unemployed or had dropped out of the labor force; and the remainder had found new jobs working either part time, in a self-owned business, or as an unpaid family worker.

Median weeks without work. The length of time it takes a displaced worker to find a new job is a critical measure of how well the labor market is working. In the most recent survey, the median time for a displaced worker who eventually found a new job to do so was 8.3 weeks. The same length of time was reported in the January 1990 and 1988 surveys.[7] (These weeks-without-work data apply only to persons who had been displaced and had worked since losing their jobs.)

In the most recent survey, displaced workers in their late twenties and early thirties who had found new jobs had the shortest spell of unemployment (6.2 weeks), as shown below:

	Median weeks without work		
Age	*Total*	*Men*	*Women*
Total, 20 years and older	8.3	8.1	9.4
25 to 54 years	8.2	8.0	9.3
25 to 34 years	6.2	4.2	9.1
35 to 44 years	8.4	8.3	8.4
45 to 54 years	9.3	8.4	10.4
55 years and older	10.4	8.5	12.4

Workers aged 55 and older had the longest spell of job search—10.4 weeks—before finding new work. The duration of men's job search was found

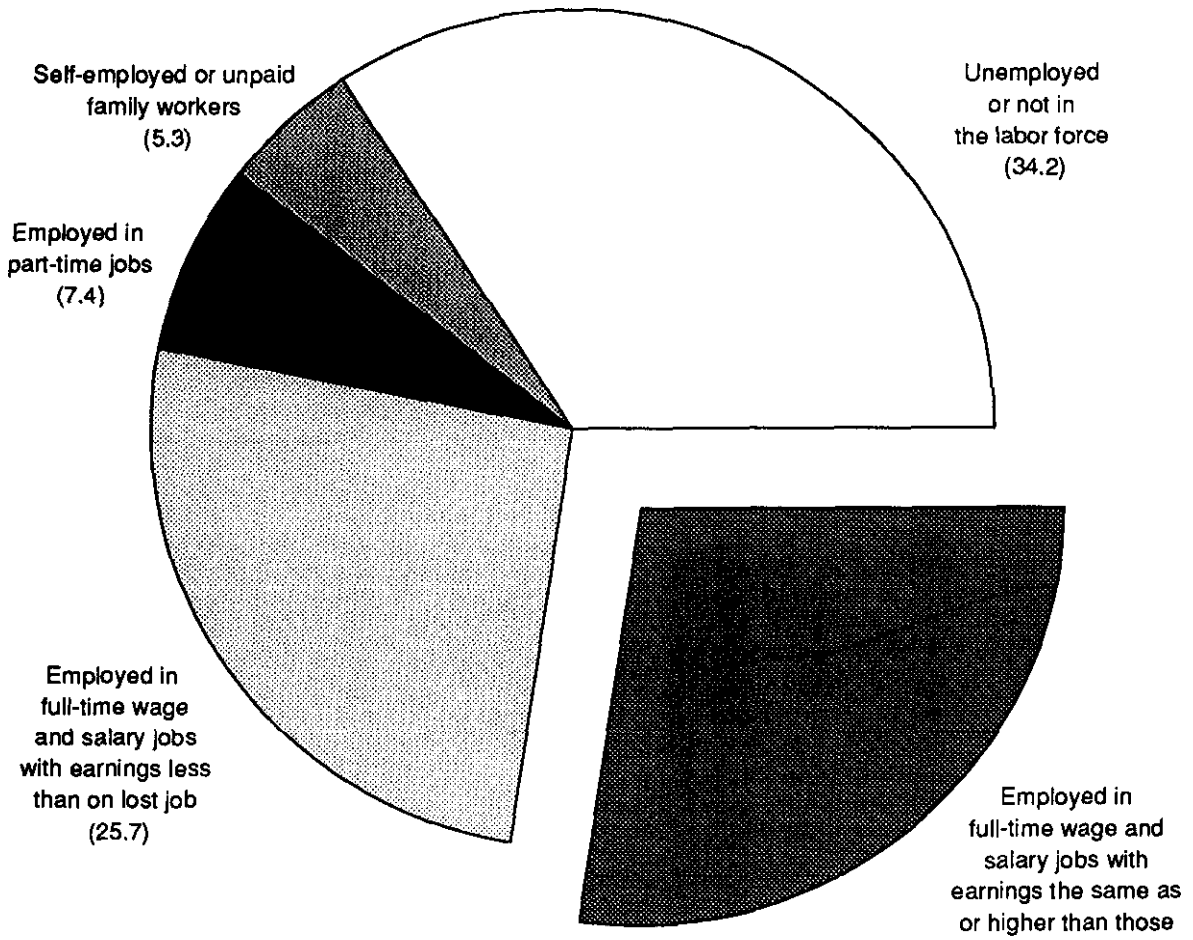
Table 4. **Displaced workers by class of worker and industry of lost job, 1979–83, 1985–89, and 1987–91**

Industry of lost job	Number of displaced workers, 1987–91 (in thousands)	Percent distribution		
		1979–83	1985–89	1987–91
Total, 20 years and older[1]	5,584	100.0	100.0	100.0
Nonagricultural private wage and salary workers	5,188	92.3	92.4	92.9
Mining	154	2.9	3.1	2.8
Construction	501	7.9	7.2	9.0
Manufacturing	1,925	48.8	37.6	34.5
Durable goods	1,243	32.9	24.4	22.3
Nondurable goods	682	15.9	13.2	12.2
Transportation and public utilities	337	6.6	6.3	6.0
Transportation	257	5.5	4.6	4.6
Communications and other public utilities	80	1.1	1.7	1.4
Wholesale and retail trade	1,047	14.4	19.5	18.8
Wholesale trade	268	4.6	5.0	4.8
Retail trade	778	9.8	14.5	13.9
Finance, insurance, and real estate	395	1.8	5.9	7.1
Services	827	9.9	12.9	14.8
Professional services	382	3.7	5.7	6.8
Other service industries	445	6.2	7.1	8.0
Agricultural wage and salary workers	73	2.0	1.3	1.3
Government workers	161	4.9	2.7	2.9
Self-employed and unpaid family workers	49	.5	1.1	.9

[1] Includes a small number of persons who did not report industry or class of worker.

NOTE: Data refer to persons with 3 years of tenure or more who lost or left a job between January 1979–84, January 1985–90, or January 1987–92 because of plant or company closings or moves, slack work, or position or shift abolishment.

Chart 1. Percent distribution of displaced workers who lost full-time wage and salary jobs between January 1987 and January 1992, by labor force status in January 1992



to be either slightly shorter than, or the same as, that of women in prior surveys; in the January 1992 survey, the median for men, 8.1 weeks, was considerably below the 9.4 weeks reported for women.

Characteristics of new jobs. Reflecting the slowdown of the economy, the proportion of displaced workers who had found new jobs when surveyed in January 1992 was considerably lower across all the major industry groups than was the case in the January 1990 survey. (See table 6.) This was particularly true for workers who had lost jobs in services, construction, and durable goods manufacturing.

Reemployment rates for workers who lost jobs in the services industry have typically been very high; in fact, in the previous survey, about 8 in 10 had new jobs in January 1990. However, the rate plummeted to 66 percent in the January 1992 survey.

In the construction industry, the proportion reemployed declined 10 percentage points, to 61 percent, between the January 1990 and January

1992 surveys. The rate for durable goods manufacturing, 62 percent, also declined substantially, with the largest drops occurring in electrical and electronic equipment, and in nonautomobile-related transportation.

Despite this recent deterioration in prospects of being rehired, the reemployment rates across most of the major industry groups were still considerably higher in January 1992 than they had been after the recessions of the early 1980's. This is of particular interest because of the timing of the recessions in each of the survey periods and the rate of subsequent employment growth. In the January 1984 survey, the endpoint of the 1981–82 recession was slightly more than a year before the survey date. The period following this downturn was characterized by rapid employment growth, during which many displaced workers were able to find new jobs. In contrast, the postrecessionary period immediately preceding the January 1992 survey did not yield a substantial recovery in employment. The higher reemployment rate found in the 1992 survey thus is consistent with many other labor market measures indicating that, over the official period of the most recent recession—July 1990 to March 1991—the downturn was considerably milder than that experienced a decade earlier.

In fact, the only group of workers with a lower probability of reemployment in January 1992 than in January 1984 were those who had lost jobs in the troubled finance, insurance, and real estate industry: 67 percent had found jobs in the most recent period, compared with 79 percent in the earlier survey.

Switching industries. After displacement, the transition to a new job is likely to be easiest when reemployment is in the same industry. Many displaced workers, however, must enter entirely new lines of work to obtain a new job. Indeed, just over half of all displaced workers who had lost private nonagricultural wage and salary jobs, and who were reemployed in January 1992, had found jobs in different major industries.[8] However, the incidence of industry switching actually had been slightly higher in the January 1988 and January 1990 surveys, and had been higher still in the first two survey periods, during which about 6 workers in 10 switched industries.

Reemployed women are slightly more likely to switch industries than are their male counterparts. When they change industries, women most often switch from one service-producing industry to another—for example, from retail trade to services. This probably reflects the predominance of women in service-producing industries, as they would be more likely than men to have held a service-type job to begin with, and to then find a new job in the expanding service-producing sector. Men, in contrast, are more likely to change from a goods-producing industry, such as manufacturing, to a service-producing job. So, although men have a lower incidence of industry switching, they more often make drastic job changes.

Table 5. **Displacement rates[1] by class of worker, industry, and occupation of lost job, 1979–83, 1985–89, and 1987–91**

[In percent]

Characteristic	1979–83	1985–89	1987–91
Total, 20 years and older	8.5	6.4	7.9
Industry and class of worker			
Nonagricultural private wage and salary workers	11.2	8.4	10.5
Mining	26.6	22.7	29.7
Construction	19.2	10.9	15.6
Manufacturing	16.7	11.3	13.4
Durable goods	18.4	12.1	14.3
Nondurable goods	14.0	10.2	12.1
Transportation and public utilities	8.8	6.4	7.5
Wholesale and retail trade	8.4	8.4	9.9
Finance, insurance, and real estate	2.9	6.4	9.3
Services	5.6	4.4	5.8
Agricultural wage and salary workers	13.0	6.6	8.1
Government workers	2.1	1.0	1.3
Self-employed and unpaid family workers	.4	.7	.6
Occupation			
Managerial and professional specialty	4.4	4.4	5.7
Executive, administrative, and managerial	5.9	5.8	8.0
Professional specialty	3.1	3.1	3.5
Technical, sales, and administrative support	6.6	6.1	7.5
Technicians and related support	7.3	6.1	8.5
Sales occupations	7.9	6.4	7.2
Administrative support, including clerical	5.7	5.9	7.5
Service occupations	4.3	3.6	4.7
Protective services	3.1	1.2	3.2
Other service occupations	4.6	4.1	5.2
Precision production, craft, and repair	12.7	7.9	11.2
Mechanics and repairers	([2])	6.1	9.1
Construction trades	([2])	6.8	11.2
Other precision production occupations	([2])	10.8	13.4
Operators, fabricators, and laborers	16.9	11.2	12.4
Machine operators, assemblers, and inspectors	19.8	13.5	15.3
Transportation and material moving occupations	11.3	8.6	8.9
Handlers, equipment cleaners, helpers, and laborers	16.9	9.1	10.7
Farming, forestry, and fishing	2.6	2.4	3.1

[1] See text footnote 4 for an explanation of the displacement rate calculation.
[2] Data not available.

NOTE: The displacement rates for the 1979–83 and 1985–89 survey periods may differ slightly from previously published estimates due to updated job tenure data.

Table 6. **Reemployment rates[1] by industry of lost job, 1979–83, 1985–89, and 1987–91**

[In percent]

Industry of lost job	1979–83	1985–89	1987–91
Total, 20 years and older	60.1	72.3	64.9
Nonagricultural private wage and salary workers	59.8	72.9	65.2
Mining	60.4	77.0	72.1
Construction	55.0	70.7	60.7
Manufacturing	58.5	70.8	63.5
Durable goods[2]	58.2	71.6	62.2
Primary metal industries	45.7	69.4	60.3
Fabricated metal products	62.0	68.1	68.4
Machinery, except electrical	62.3	75.2	69.5
Electrical machinery, equipment, and supplies	48.2	70.7	53.5
Transportation equipment	62.6	71.9	58.9
Automobiles	62.9	61.8	60.4
Other transportation equipment	62.1	82.2	57.8
Nondurable goods[2]	59.1	69.6	66.0
Food and kindred products	52.5	68.8	65.4
Apparel and other finished textile products	63.0	66.0	63.3
Printing and publishing	58.0	73.4	67.4
Chemicals and allied products	64.0	(3)	71.1
Transportation and public utilities	57.9	72.0	65.3
Transportation	58.8	70.4	65.8
Communications and other public utilities	(3)	(3)	63.8
Wholesale and retail trade	61.4	73.4	68.3
Wholesale trade	69.6	70.5	68.3
Retail trade	57.6	74.2	68.4
Finance, insurance, and real estate	78.5	73.2	66.8
Services	65.0	78.8	65.9
Professional services	64.0	81.8	67.0
Other service industries	65.6	76.9	64.9

[1] Number of displaced workers who were reemployed at the time they were surveyed, as a percent of the total number displaced in the industry.
[2] Includes other industries not shown separately.
[3] Data not shown where base is less than 75,000.

Earnings. Workers who find new jobs after being displaced presumably suffer less hardship than those who remain jobless or who drop out of the labor force altogether. Yet, many of the reemployed have to take jobs paying much less than they had earned previously. In the January 1992 survey, nearly half of all workers who lost full-time wage and salary jobs and were reemployed in such jobs reported a drop in earnings on the new job. This share was slightly higher than that found in the four previous surveys, in large part because the proportion of reemployed workers who had *much* lower earnings—at least 20 percent less than they had earned on the lost job—was larger than in any of the prior surveys. The following tabulation shows, for selected surveys, the distribution of reemployed workers by relationship of current earnings to those on the lost job:

	Survey date		
	January 1984	*January 1990*	*January 1992*
Current earnings:			
20 percent or more below	30.4	25.1	32.0
Below, but within 20 percent	15.6	18.1	16.4
Equal to or above, but within 20 percent	27.9	27.5	26.6
20 percent or more above	26.1	29.3	25.0

The median weekly earnings on the new job, compared to those on the lost job, were found to be lower for all the major industry groups in the January 1992 survey. (See table 7.) While this is the typical pattern for displaced workers, the percentage declines in earnings in the January 1992 survey were much larger than those in the January 1990 survey for most of the major industry groups. In the most recent survey, reemployed workers who had lost mining jobs suffered the largest percentage decline in earnings. Sizable drops also occurred for those who had lost jobs in finance, insurance, and real estate; manufacturing; transportation and public utilities; and services.

Unemployment insurance recipients

Many displaced workers receive unemployment insurance benefits following their job loss to help compensate for lost income. About 62 percent of the displaced workers were found to have received financial support in this form at some time during the 5 years covered by the January 1992 survey. The share receiving benefits was the highest (76 percent) among those who were unemployed at the time of the survey.

More than 4 in 10 displaced workers who had received unemployment insurance had exhausted their benefits by the time they were surveyed in January 1992. As shown in table 8, this proportion was highest for workers who were not in the labor force (those neither working nor looking for work) when the survey was taken.

Health insurance coverage

Given the sharp rise in health care costs in recent years, health insurance coverage has become one of the most important nonwage benefits for U.S. workers. Such coverage is often lost when a worker is displaced from a job. And, even if the worker is subsequently reemployed, coverage may not always be regained.

About two-thirds of all displaced workers who had had health insurance on their lost jobs were

covered by some group health insurance (their own or family members') in January 1992. (See table 9.) This proportion had been increasing during the 1980's, from 64 percent in the January 1984 survey to a high of 76 percent in the January 1990 study.

The decline in the share of previously covered displaced workers who were still covered by some health insurance when surveyed in 1992 may be explained largely by the lower reemployment rate. Also, the poor job market may have forced a growing share of displaced workers to take jobs with fewer benefits than they had enjoyed on their previous jobs, including jobs that provide no health insurance coverage.

Geographic distribution

The magnitude and timing of employment growth and decline typically vary from one region to another throughout the United States. In the late 1980's and early 1990's, for example, the unemployment rates for the New England States rose rapidly, while the rates changed little in the Midwestern States. Areas of slow growth or decline often have relatively large shares of displaced workers; indeed, in the January 1992 survey, the New England States were found to have had a disproportionately large share of displacements.[9]

Among the three reasons for displacement—plant or company closings or moves, slack work, or position or shift abolishment—the first was more often the cause of job loss in the Midwest and South than in the Northeast or West.[10] (See table 10.) In contrast, the latter two regions had larger proportions of displacements resulting from slack work. Job losses due to position or shift abolishment were found to have varied slightly among the four regions of the country in the January 1992 survey, but made up the highest proportion of displacements in the Midwest.

The chance of finding a new job was the greatest for workers who were displaced in the West North Central States—about 8 in 10 were reemployed in January 1992. This group of States also had a relatively low unemployment rate during the last 2 years of the 1992 survey period. The two lowest reemployment rates were found among workers who had lost jobs in the New England and Middle Atlantic States; only slightly more than half had found new jobs when surveyed in January 1992, as the Northeast region was the first and hardest hit by the 1990–91 recession.

The reemployment rate among workers who had lost jobs in New England was lower in January 1992 than in January 1984—56 versus 66 percent—reflecting the severity of the recession in that area of the country. Elsewhere, the proportion of displaced workers who were reemployed was at least as high as that recorded in the January 1984 survey.[11]

Table 7. **Median weekly earnings of displaced workers on lost job and present job by industry of lost job, January 1992**

Industry of lost job	Earnings on lost job[1]	Earnings on job held in January 1992	Change	
			Level	Percent
Total, 20 years and older	$431	$369	$ – 62	– 14.4
Nonagricultural private wage and salary workers	432	368	– 64	– 14.8
Mining	626	408	– 218	– 34.8
Construction	450	431	– 19	– 4.2
Manufacturing	428	345	– 83	– 19.4
Durable goods	458	399	– 59	– 12.9
Nondurable goods	367	303	– 64	– 17.4
Transportation and public utilities	529	454	– 75	– 14.2
Transportation	498	461	– 37	– 7.4
Communications and other public utilities	685	438	– 247	– 36.1
Wholesale and retail trade	351	327	– 24	– 6.8
Wholesale trade	430	413	– 17	– 4.0
Retail trade	327	307	– 20	– 6.1
Finance, insurance, and real estate	600	491	– 109	– 18.2
Services	412	366	– 46	– 11.2
Professional services	397	403	6	1.5
Other service industries	434	348	– 86	– 19.8

[1] These earnings data are restricted to those displaced workers who were reemployed in January 1992.

NOTE: Data refer to persons with tenure of 3 years or more who lost or left a job between January 1987 and January 1992 because of plant or company closings or moves, slack work, or abolishment of their positions or shifts.

Table 8. **Displaced workers by receipt of unemployment benefits and by employment status in January 1992**

Characteristic	Number (thousands)	Percent
Total, 20 years and older	5,584	100.0
Received benefits	3,456	61.9
Exhausted benefits	1,525	44.1
Employed	3,626	100.0
Received benefits	2,078	57.3
Exhausted benefits	848	40.8
Unemployed	1,240	100.0
Received benefits	945	76.2
Exhausted benefits	385	40.7
Not in the labor force	718	100.0
Received benefits	433	60.3
Exhausted benefits	291	67.2

NOTE: Data refer to persons with tenure of 3 years or more who lost or left a job between January 1987 and January 1992 because of plant or company closings or moves, slack work, or the abolishment of their positions or shifts.

Table 9. **Displaced workers by incidence of group health insurance coverage on lost job and current coverage under any group plan,[1] January 1992**

[Numbers in thousands]

Sex, race, and employment status in January 1992	Total	Covered by a group health insurance plan on lost job			Not covered on lost job[3]
		Total	Percent covered by any group health insurance[2]		
			Yes	No	
Total, 20 years and older	5,584	4,196	68.8	29.9	1,362
Employed	3,626	2,819	78.7	20.5	793
Unemployed	1,240	916	45.3	51.9	320
Not in the labor force	718	461	55.3	43.4	249
Men, 20 years and older	3,447	2,741	67.7	30.9	693
Women, 20 years and older	2,137	1,456	70.7	27.9	669
White					
Total, 20 years and older	4,828	3,613	70.9	27.7	1,193
Men	3,003	2,397	69.3	29.3	598
Women	1,825	1,217	74.2	24.6	596
Black					
Total, 20 years and older	626	480	53.5	45.2	142
Men	356	273	54.6	44.7	79
Women	270	207	52.2	45.9	63
Hispanic origin					
Total, 20 years and older	511	347	52.4	44.1	162
Men	323	239	54.4	42.3	82
Women	188	109	48.6	47.7	80

[1] Excludes health insurance coverage in the form of medicare and medicaid.
[2] Percents will not sum to 100 because of a small number who did not know about current coverage.
[3] Includes a small number who did not know about health insurance coverage on their lost job.

NOTE: Data refer to persons with tenure of 3 years or more who lost or left a job between January 1987 and January 1992 because of plant or company closings or moves, slack work, or abolishment of their positions or shifts.

Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented, and Hispanics are included in both the white and black population groups.

Table 10. **Regional distribution of displaced workers by reason for job loss and employment status in January 1992**

Census designation	Total (thousands)	Percent distribution					
		Reason for job loss			Employment status		
		Plant or company closed or moved	Slack work	Position or shift abolished	Employed	Unemployed	Not in the labor force
Total United States	5,584	52.1	31.6	16.3	64.9	22.2	12.9
Northeast	1,349	45.8	37.5	16.7	56.5	29.1	14.5
New England	463	43.2	38.0	18.8	56.4	33.0	10.8
Middle Atlantic	886	47.2	37.2	15.6	56.5	27.0	16.5
Midwest	1,284	56.2	24.9	18.9	66.2	20.8	13.0
East North Central	913	54.9	27.9	17.2	60.6	25.4	14.0
West North Central	371	59.3	17.5	23.2	80.1	9.4	10.5
South	1,848	56.6	29.0	14.4	70.0	18.1	12.0
South Atlantic	1,007	55.4	30.2	14.4	70.3	18.5	11.3
East South Central	260	64.6	25.8	9.6	66.5	18.1	15.8
West South Cental	581	55.1	28.4	16.5	71.1	17.6	11.4
West	1,102	47.8	36.4	15.9	65.3	22.3	12.3
Mountain	286	49.3	31.8	19.2	71.3	14.0	14.7
Pacific	816	47.3	38.0	14.7	63.2	25.2	11.4

NOTE: Data refer to persons 20 years and older with tenure of 3 years or more who lost or left a job between January 1987 and January 1992 because of plant or company closings or moves, slack work, or position or shift abolishment.

For a listing of the States that compose the Census regions and divisions see text footnote 10.

THE WEAK ECONOMY of the early 1990's increased the number of displaced workers relative to levels posted in the 1980's. Between January 1987 and January 1992, a total of 5.6 million workers with 3 or more years of tenure with the same employer were displaced from their jobs. This was an increase of 1.3 million over the number found in the preceding survey, which covered the 5 years prior to January 1990. While a disproportionately large share of displaced workers had lost jobs in the goods-producing industries, job losses were much more widespread across industries in the January 1992 survey than when the first survey of displacement was conducted in January 1984. And by most measures, including reemployment rates, earnings, and health insurance coverage, workers displaced prior to the most recent survey were worse off, on average, than those losing jobs during the expansionary years of the mid- to late 1980's. □

Footnotes

[1] The Current Population Survey is a survey of about 60,000 households conducted monthly by the Bureau of the Census for the Bureau of Labor Statistics to collect demographic, social, and economic information about the working-age population.

[2] These data relate to workers who have been displaced from jobs at which they had worked for at least 3 years.

[3] See Paul O. Flaim and Ellen Sehgal, "Displaced workers of 1979–83: how well have they fared?" *Monthly Labor Review*, June 1985, pp. 3–16, for a more detailed explanation of the concepts and measurements of displaced workers.

[4] Displacement rates were calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted estimate of employment in the same worker group. Employment estimates for each year of the survey period were adjusted to include only those workers with 3 years of tenure of more; a 5-year average was then computed using those employment estimates for the years covered by the survey. The rates in this article may differ slightly from those previously published due to updated job tenure data. Displacement rates were used to make comparisons between groups of different sizes.

[5] For a more detailed look at the effects of defense spending cuts, see Norman C. Saunders, "Employment effects of the rise and fall in defense spending," *Monthly Labor Review*, April 1993, pp. 3–10. See also Thomas Nardone and others, "1992: job market in the doldrums," *Monthly Labor Review*, February 1993, pp. 3–14.

[6] The Bureau of Labor Statistics no longer routinely publishes data using white- and blue-collar occupational classifications. For the purposes of this article, two occupational groups—managerial and professional specialty and technical, sales, and administrative support—are combined to represent white-collar occupations; precision production, craft, and repair, and operators, fabricators, and laborers are summed to represent blue-collar occupations.

[7] In the first two displaced worker surveys, data on weeks without work were collected from all workers. In the later surveys, the number of weeks without work was collected only for those who had found a new job. Thus, only data for the January 1988, 1990, and 1992 surveys are comparable.

[8] For most of this analysis, major industry divisions were used. More detailed industry levels were studied for manufacturing (durable goods and nondurable goods) and services (professional and other service industries).

[9] A comparison was made between the percent of all displaced workers found in the January 1992 survey who had lost a job in the New England States and the number employed in that division as a percent of total employment in the United States. To be consistent with the displaced worker data, the employment estimates for each geographic division were an average of the 5 years covered by the survey, 1987 to 1991.

[10] The four census regions of the United States are Northeast, South, Midwest, and West. Within the Northeast, the New England division includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; and the Middle Atlantic division includes New Jersey, New York, and Pennsylvania. Within the South, the South Atlantic division includes Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; the East South Central division includes Alabama, Kentucky, Mississippi, and Tennessee; and the West South Central division includes Arkansas, Louisiana, Oklahoma, and Texas. Within the Midwest, the East North Central division includes Illinois, Indiana, Michigan, Ohio, and Wisconsin; and the West North Central division includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. Within the West, the Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and the Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.

[11] For more detailed analysis of regional labor market conditions, see Mary C. Dzialo and others, "Atlantic and Pacific coasts' labor markets hit hard in early 1990's," *Monthly Labor Review*, February 1993, pp. 32–39.